

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Lafourche Parish Library -
Martha Sewell Utley Memorial Branch
Thibodaux, Louisiana

November 1, 2008



Investigative Audit

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor

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**Lafourche Parish Library -
Martha Sowell Utley
Memorial Branch**

November 1, 2000



**Investigative Audit
Office of the Legislative Auditor
State of Louisiana**

**Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor**

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November 1, 2008

**MS. SHERRY ROUSSEAU,
CHAIRMAN, AND MEMBERS OF THE
BOARD OF CONTROL FOR THE
LAFOURCHE PARISH LIBRARY**
Thibodaux, Louisiana

Transmitted herewith is our investigative report for the Lafourche Parish Library - Martha Sewell Wiley Memorial Branch. Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain allegations received by this office.

This report presents our finding and recommendation as well as management's response. Copies of this report have been delivered to the Lafourche Parish Library; the Honorable Walter Naguin Jr., District Attorney for the Seventeenth Judicial District of Louisiana; and others as required by state law.

Respectfully submitted,

Daniel G. Kyle, CPA, CFE
Legislative Auditor

SLD:SLC:DPF:dl

11/1/08

Executive Summary

Investigative Audit Report Lafourche Parish Library - Martha Sowell Utley Memorial Branch

The following summarizes the finding and recommendation as well as management's response that resulted from this investigation. Detailed information relating to the finding and recommendation may be found at the page number indicated. Management's response may be found at Attachment I.

Library Funds Taken for Personal Use

(Page 5)

Finding:	From September 1, 1998, to September 10, 2000, Lafourche Parish Library (Library) funds generated by the Martha Sowell Utley Memorial Branch (Main Branch) totaling \$3,620 were not deposited into the Library's bank accounts. Records indicate that the Main Branch collected fines and fees totaling \$3,620; however, only \$2,644 was deposited into the Library's bank account. Ms. Peggy Martin, Main Branch employee, admitted that she took money from the Library and did not make deposits for six months. She estimated that these funds not deposited totaled approximately \$2,500.
Recommendation:	We recommend that management for the Lafourche Parish Library implement policies and procedures to ensure that all funds collected are deposited into the Library's bank account. We also recommend that the District Attorney for the Seventeenth Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.
Management's Response:	Management for the Library concurs with the finding. Further, management has issued recommendations to each branch of the Library to reduce any repetition of this incident.

Background and Methodology

The Lafourche Parish Library was established by the Parish governing authority, under the provisions of Louisiana Revised Statute 29:221. The Library is governed by the Board of Control, which is appointed by the Lafourche Parish Council, in accordance with the provisions of Louisiana Revised Statute 25:214.

On September 1, 2000, the Legislative Auditor received information that bank deposits had not been made for the Martin Sweedl Olkey Memorial Branch of the Lafourche Parish Library. This investigation was conducted to determine the propriety of this information.

The procedures performed during this investigative audit consisted of (1) interviewing employees and officials of the Library; (2) interviewing other persons as appropriate; (3) examining selected documents and records of the Library; (4) performing observations and analytical tests; and (5) reviewing applicable Louisiana laws.

The result of our investigation is the finding and recommendation herein.

Finding and Recommendation

LIBRARY FUNDS TAKEN FOR PERSONAL USE

From September 1, 1999, to September 10, 2000, Lafourche Parish Library (Library) funds generated by the Martha Swell Utley Memorial Branch (Main Branch) totaling \$3,620 were not deposited into the Library's bank accounts. Records indicate that the Main Branch collected fines and fees totaling \$5,664; however, only \$2,044 was deposited into the Library's bank account. Ms. Peggy Martin, Main Branch employee, admitted that she took money from the Library and did not make deposits for six months. She estimated that these funds not deposited totaled approximately \$2,500.

The Main Branch collects fines on overdue books and videos, fees for lost library cards and books, fees for computer printouts, fees for genealogy charts, T-shirt sales, fees to send letters, and donations. These fines and fees were collected by employees of the Main Branch, counted at the end of the day, recorded in a tablet or on note cards, and then forwarded along with the tablet and note cards to Ms. Peggy Martin. Ms. Martin was then responsible for depositing the money and recording the amounts into a computer spreadsheet. Ms. Martin stated that she did not keep the tablets that contained the actual amounts collected by the employees.

The spreadsheets created by Ms. Martin indicate that, during the period September 1, 1999, to September 10, 2000, fines and fees collected at the Main Branch of the Library totaled \$5,664; however, total deposits were only \$2,044. Therefore, \$3,620 was collected but not deposited into the Library's bank accounts. Ms. Martin admitted that she took money from the Library and did not make deposits for six months. Ms. Martin estimates that the funds she did not deposit totaled approximately \$2,500. In addition, on September 11, 2000, Ms. Martin stated that approximately \$180 in cash belonging to the Library was stored under the seat of her car. Ms. Martin's car was unavailable at the time, so we were unable to verify this amount. To date, the \$180 has not been returned to the Library or deposited into the Library's bank account.

By taking cash from the Library for her own personal use, Ms. Martin may have violated one or more of the following state laws:

- R.S. 14:63, "Theft"
- R.S. 14:134, "Malfeasance in Office"

We recommend that management for the Lafourche Parish Library implement policies and procedures to ensure that all funds collected are deposited into the Library's bank accounts. We also recommend that the District Attorney for the Seventeenth Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

Attachment I

Management's Response

LAFORCHE PARISH PUBLIC LIBRARY

381 WEST JEFFER STREET, TERREBOULE, LA 70064 Phone (504)445-2761 Fax (504)445-3448

KATHLEEN KILGEN

Director

October 17, 2000

Mr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P. O. Box 94347
Terrebonne, LA 70064-0347

Dear Mr. Kyle:

I would like to thank the Legislative Auditor's Office for pointing out the inappropriate activities that took place at the Martha Sewell Wiley Memorial Branch. Mr. De Lee and Ms. Sloan were very thorough and considerate in their investigation.

After conferring with our Board Chairman, Deputy Director of Operations, and Branch Administrator, I have come up with the following recommendations as guidelines for all of our Branches:

1. Implement sporadic cash audits by the administration.
2. Require daily printouts of income with discrepancies documented.
3. Require two people to tally money and records at the end of each day.
4. Instruct all staff on the use of the computer program used for recording monetary transactions.
5. Require weekly bank deposits by the Martha Sewell Wiley Memorial (main) Branch and monthly deposits by others.
6. Keep all money in a locked drawer until it is deposited.
7. Take immediate action if any of these guidelines are not followed.

I believe that these procedures will greatly reduce any repetition of this incident. Once again, thank you for looking into this matter and bringing it to our attention.

Yours truly,



Kathleen Kilgen



Attachment II

Legal Provisions

Legal Provisions

The following legal citations are referred to in the Finding and Recommendation section of this report:

R.S. 14:67 provides, in part, that theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the other or the misappropriation or taking, or by means of fraudulent conduct, practices, or representations.

R.S. 14:134 provides, in part, that malfeasance in office is committed when any public officer or public employee shall (1) intentionally refuse or fail to perform any duty lawfully required of him, as such officer or employee; (2) intentionally perform any such duty in an unlawful manner; or (3) knowingly permit any other public officer or public employee, under his authority, to intentionally refuse or fail to perform any duty lawfully required of him or to perform any such duty in an unlawful manner.

